

Decision No. 86250

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of John E. Cook     )  
an individual, doing business    )     Application No. 56443  
as DESERT STAGE LINES,            )     (Filed April 28, 1976)  
for authority to adjust its        )  
rates.

O P I N I O N

John E. Cook, doing business as Desert Stage Lines, presently provides service as a passenger stage corporation (PSC-927) between Twentynine Palms Marine Corps Base, on the one hand and Palm Springs, Los Angeles and San Diego, on the other hand. By this application, John E. Cook seeks authority to increase passenger fares from ten percent to 20 percent and express rates 25 cents on each shipment.

The present rates of the applicant were established by Decision 85091, dated November 12, 1975.

The applicant alleges that he is operating at a deficit and that no salaries have been drawn for himself or his wife although both devote full time to the operation.

The applicant further alleges that the proposed increase would cover the substantial increase in the cost of fuel, insurance, maintenance and labor.

The staff of the Transportation Division has made an analysis of the applicant's operations and submitted a report on the estimated results of operations based on the future year ending June 30, 1977 under present and proposed rates.

The report is hereby received as Exhibit 1. The exhibit indicates the following results:

RESULTS OF OPERATIONS  
FOR COMMON CARRIER SERVICE

		Adjusted	Rate Year	
		Historical		
Item or Account	Year	7-1-76	To	6-30-77
Number : Description	1975	Present Rates	Requested	Rates
(1)	(2)	(3)	(4)	(5)
	Bus Miles	155,300	155,300	155,300
	Passengers	18,930	20,820	20,180
	<u>Revenue</u>			
320	Passenger	\$ 94,970	\$104,470	\$113,630
322	Express	<u>2,250</u>	<u>2,420</u>	<u>2,730</u>
	Total Revenue	\$ 97,220	\$106,950	\$116,360
	<u>Expenses</u>			
410	Maintenance	\$ 22,620	\$ 31,060	\$ 31,060
420	Transportation	38,560	45,370	45,370
430	Station	1,100	1,100	1,100
440	Traffic	2,230	2,530	2,530
450	Insurance	10,570	18,150	18,150
460	Admin. & General	6,170	22,810	22,810
500	Depreciation	3,900	5,400	5,400
520	Taxes	5,160	7,590	7,590
530	Rents	<u>3,270</u>	<u>3,270</u>	<u>3,270</u>
	Total Expenses	\$ 93,580	\$137,280	\$137,280
	Operating Income	\$ 3,640	\$-30,330	\$-20,920
800	Income Taxes	<u>1,060</u>	-	-
	Net Income	\$ 2,580	\$-30,330	\$-20,920
	Operating Ratio-%	97.3	128.4	118.0
	Rate of Return-%	5.6	-	-
	Avg. Rate Base	\$ 45,980	\$ 36,020	\$ 36,020

In accordance with Section 730.3 of the Public Utilities Code, affected state and local public agencies and corporations operating passenger transit systems were notified of the application and were requested to furnish an analysis of the effect of the proposed rate increase on overall transportation problems within the territories served by such passenger transit systems. No comments from the parties so notified have been received.

In accordance with Section 730.5 of the Public Utilities Code, we find that the fare increase granted by this decision will result in a decrease in patronage of approximately three percent. The fare increase will have no effect upon public transit systems as proposed in required transportation plans prepared pursuant to Chapter 2.5 of Title 7 of the Government Code.

Notice of filing of this application appeared in the Commission's Daily Calendar on April 29, 1976. No protests have been received.

After consideration, the Commission finds that:

1. The requested increase would result in additional annual revenue in the amount of \$9,410.
2. The proposed rate increase is justified.
3. A public hearing is unnecessary.

The Commission concludes that the application should be granted.

#### O R D E R




IT IS ORDERED that:

1. John E. Cook, doing business as Desert Stage Lines, is authorized to establish the increased rates proposed in Application 56443. Tariff publications authorized to be made as a result of this order may be made effective not earlier than five days after the effective date of this order on not less than five days' notice to the Commission and to the public.
2. The authority shall expire unless exercised within 90 days after the effective date of this order.

3. In addition to the required posting and filing of tariffs, applicant shall give notice to the public by posting in its buses and terminals a printed explanation of its rates. Such notice shall be posted not less than five days before the effective date of the rate changes and shall remain posted for a period of not less than 30 days.

Since the carrier is presently operating at a substantial loss, the effective date of this order is the date hereof.

Dated at San Francisco, California, this 17th  
day of AUGUST, 1976.

  
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President  
  
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Commissioners

Commissioner Vernon L. Sturgeon, being necessarily absent, did not participate in the disposition of this proceeding.